

The Retire Flyer



Welcome to Volume 5, Issue 1 of the Frederick County Employees Retirement Plan (FCERP) retiree newsletter. I hope you all had a wonderful holiday season. With the mild weather, the big question is, will there be any more snow?

Keep in mind that this is a bi-annual publication that will be distributed in January and July. If you have any suggestions (and we want to hear from you!) for information you would like to see published, please either email it to DHoffman@FrederickCountyMD.gov (note the e-mail address change) or send it to the Division of Human Resources, 12 East Church Street, Frederick, MD 21701.

January Check

Many of you contacted us in December to ask when your January check will be available through your bank. Throughout the year, if the 1st of the month falls on a "non-bank" day, the checks are dated and available on the first previous bank day. So, for example, if the 1st is on a Saturday, the check are dated and available on the Friday before.

This is not true for the January check. NO matter what day January 1 falls on, the check will be dated January 1. Because banks are not open on that day, your check will be posted by your bank on the next available bank day. Sometimes, as was the case this year, your check is not available until January 3. We hope this information helps you know when your check will be available and assists you in your financial planning.

As always, if you have questions, do not hesitate to contact Human Resources at 601-600-1625.

2012 Retirement Check Pay Dates

<u>MONTH</u>	<u>PAY DATE</u>
January	January 1, 2012
February	February 1, 2012
March	March 1, 2012
April	March 30, 2012
May	May 1, 2012
June	June 1, 2012
July	June 29, 2012
August	August 1, 2012
September	August 31, 2012
October	October 1, 2012
November	November 1, 2012
December	November 30, 2012

The 1099Rs will be mailed to your home address by January 31, 2012. Keep in mind, if you turned 59 1/2 in 2011, you will receive two 1099Rs. One for the distribution code of 2—early exception and one for the distribution code of 7—normal retirement. If you do not receive your 1099R and/or have any questions regarding the form, please contact Human Resources at 301-600-1625.

Remember, County telephone numbers have **the new 600 exchange.** Human Resources' main number is 301-600-1070.

Are You Under Age 65?

Your age makes a difference when it comes to retiree health insurance. When you, or a covered dependent, turn(s) age 65, the Frederick County health plan expects Medicare to pay for covered services first and becomes secondary insurance, limiting its coverage to the balance of covered expenses not paid by Medicare. **If you have retiree health insurance through Frederick County and reach age 65, remember to sign up for both Medicare Part A and Part B benefits when you enroll.**

With Medicare Part A and Part B coverage, you also have a choice to replace your County plan with a Medicare Supplement and Medicare Drug plan offered through AARP/United Healthcare. Frederick County pays the same percentage of the premiums for the AARP/UHC plans as it does for the CIGNA plan, and you may find the supplement plans cost less. Information about the plans and how to enroll is mailed by AARP/UHC directly to your home address within a few months of your birthday.

As you reach Medicare-eligibility age, there are many decisions to be made. Please do not hesitate to contact Bonnie at (301) 600-1190, or by email at bmadison@FrederickCountyMD.gov, for help in understanding the options you have for retiree health insurance coverage.

Retirement Committee Corner.....

SUMMARY OF THE ANNUAL PLAN VALUATION REPORT FOR THE FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN

This is a summary of the annual valuation report for the FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN for the period of July 1, 2010 through June 30, 2011 as presented to the Retirement Committee at their January 2012 meeting.

Basic Financial Statement

Benefits under the plan are provided through a trust fund. Plan expenses were \$11,250,089. These expenses included \$784,589 in administrative expenses, \$1,004,172 in investment expenses, and \$9,461,328 in benefits paid and return of employee contributions. A total of 2,869 persons were participants in or beneficiaries of the plan at the end of the plan year. There are a total of 1,968 active participants; 583 uniformed participants and 1,385 non-uniformed participants at the end of the plan year.

The value of plan assets, after subtracting liabilities of the plan, was \$300,159,368 as of July 1, 2011, as compared to \$231,873,832 as of July 1, 2010. During the plan year, the plan experienced an increase in net assets of \$79,535,625. The increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of assets at the beginning of the year or the cost of assets acquired during the year. The plan's total market value includes employer contributions of \$20,207,459, employee contributions of \$5,738,898, total disbursements of \$11,250,089 (includes benefit payments and administrative and investment management expenses), and asset gains. The plan's assumed expected rate of return is 7.50% and the actual return for this period was 22.4%.

Funding Standards

For the plan year beginning July 1, 2011, the actuary's valuation report shows that the blended employer contribution of 19.4% contributed to the plan by the County along with the employees' contributions keeps the plan funded in accordance with the contribution policy established by the County¹. The blended contribution of 19.4% (of participant payroll) is a combined total for the breakdown of the actual cost for the uniformed participants and the non-uniformed participants. The employer policy contribution for the uniformed participants is 22.2% and 18.0% for non-uniformed participants.

For the plan year beginning July 1, 2012, the blended employer contribution rate will be 20.1% of participant payroll, based on the policy contribution calculated by the plan's actuary. The blended contribution of 20.1% is a combined total for the breakdown of the actual cost for the uniformed participants and the non-uniformed participants. The employer policy contribution for the uniformed participants is 22.3% and 18.9% for non-uniformed participants.

Your Rights To Additional Information

You have the right to receive a copy of the full annual valuation report, or any part thereof, on request. To obtain a copy of the full plan valuation report, or any part thereof, call the Division of Human Resources at 301-600-1070.

¹ This contribution is based on a revised funding policy which prevents the County contribution for the plan year beginning July 1, 2010 to decrease below 18.6% of participant payroll.